

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

PHILLIPS PETROLEUM COMPANY  
VENEZUELA LIMITED and  
CONOCOPHILLIPS PETROZUATA B.V.,

Petitioners,

v.

PETRÓLEOS DE VENEZUELA, S.A.,  
CORPOGUANIPA, S.A., and PDVSA  
PETRÓLEO, S.A.,

Respondents.

Case No. 18-cv- 3716

**DECLARATION OF ELLIOT FRIEDMAN**

I, Elliot Friedman, declare pursuant to 28 U.S.C. § 1746 as follows:

1. I am a member of the law firm Freshfields Bruckhaus Deringer US LLP. I am counsel for petitioners Phillips Petroleum Company Venezuela Limited (“ConocoHamaca”) and ConocoPhillips Petrozuata B.V. (“ConocoPetrozuata”) (together, the “Petitioners”).

2. I submit this declaration in support of Petitioners’ petition (the “Petition”) for an order and judgment confirming, recognizing and enforcing an arbitration award against Petróleos de Venezuela, S.A. (“PDVSA”), Corpoguanipa, S.A. (“Corpoguanipa”) and PDVSA Petróleo, S.A. (“PPSA”) (together, the “Respondents”).

3. I make this declaration by reference to certain exhibits appended hereto and in respect of facts personally known to me.

***The ICC Arbitration Award***

4. On April 24, 2018, an arbitral tribunal (the “Tribunal”) duly constituted under the auspices of the International Chamber of Commerce (“ICC”), issued a final, binding arbitration award (the “Final Award”) in favor of Petitioners and against Respondents in *Phillips Petroleum*

*Company Venezuela Limited and ConocoPhillips Petrozuata B.V. v. Petróleos de Venezuela, S.A., Corpoguanipa, S.A. and PDVSA Petróleo, S.A.*, Case No. 20549/ASM/JPA (C-20550/ASM) (the “ICC Arbitration”). The ICC transmitted a copy of the Final Award to the parties on April 25, 2018. The Tribunal issued the Final Award after a lengthy evidentiary hearing, and based on a large factual record and extensive briefing. A true and correct copy of the Final Award is appended hereto as Exhibit A.

5. With interest to date under the terms of the Final Award, the Final Award against PPSA and PDVSA, jointly and severally, currently amounts to US \$506,174,755. With interest to date under the terms of the Final Award, the Final Award against Corpoguanipa and PDVSA, jointly and severally, currently amounts to US \$1,532,157,127. Together with an award to Petitioners for reimbursement of certain costs, the aggregate value of the Final Award, at present, is US \$2,038,563,082.

### ***The Arbitration Agreements***

6. The Final Award results from disputes between Petitioners and Respondents that arose under four contracts associated with Petitioners’ investments and participation in two extra-heavy crude oil projects in the Orinoco oil belt in the Bolivarian Republic of Venezuela (“Venezuela”), the “Petrozuata Project” and the “Hamaca Project.”

7. Those four contracts are:

a. the Petrozuata Association Agreement (dated November 10, 1995 and as modified June 18, 1997, between Conoco Orinoco Inc. (of which ConocoPetrozuata is the successor in interest) and Maraven S.A. (of which PPSA is the successor in interest)). A true and correct copy of the Petrozuata Association Agreement (including the arbitration clause), with English translation, is appended hereto as Exhibit B.

b. the Hamaca Association Agreement (dated July 9, 1997, between (among others) Corpoguanipa and ConocoHamaca). A true and correct copy of the Hamaca Association Agreement (including the arbitration clause), with English translation, is appended hereto as Exhibit C.

c. the Petrozuata Guaranty (dated November 10, 1995, between Conoco Orinoco Inc. (of which ConocoPetrozuata is the successor in interest) and PDVSA. A true and correct copy of the Petrozuata Guaranty (including the arbitration clause), with English translation, is appended hereto as Exhibit D.

d. the Hamaca Guarantee (dated July 9, 1997, between (among others) PDVSA and ConocoHamaca). A true and correct copy of the Hamaca Guarantee (including the arbitration clause), with English translation, is appended hereto as Exhibit E.

### ***The ICC Arbitration***

8. Petitioners commenced the ICC Arbitration that is the subject of this Petition on October 10, 2014 by filing two Requests for Arbitration (one under each Association Agreement and its related Guarantee). The ICC Arbitration began as two separate arbitrations: Case No. 20549/ASM (*Phillips Petroleum Company Venezuela Limited v. Petróleos de Venezuela, S.A. and Corpoguanipa, S.A.*) and Case No. 20550/ASM (*ConocoPhillips Petrozuata B.V. v. Petróleos de Venezuela, S.A. and PDVSA Petróleo, S.A.*). True and correct copies of the Requests for Arbitration are appended hereto as Exhibits F and G.

9. On January 13, 2015, Respondents consented to the consolidation of these proceedings under Case No. 20549/ASM (C-20550/ASM), pursuant to Article 10 of the 2012 Rules of Arbitration of the International Chamber of Commerce (“ICC Rules”), which governed the ICC Arbitration.

10. The Tribunal was constituted on March 27, 2015 in accordance with the ICC Rules. It consisted of two co-arbitrators, Professor Laurent Aynès (appointed by Petitioners) and Professor Andrea Giardina (appointed by Respondents), who together nominated Dr. Laurent Lévy as President of the Tribunal. A true and correct copy of the correspondence confirming the due constitution of the Tribunal in accordance with the ICC Rules is appended hereto as Exhibit H.

11. Pursuant to the timetable established by the Tribunal, the parties exchanged briefing (accompanied by witness statements, expert reports and exhibits) and engaged in documentary discovery. The initial Case Management Conference was held on June 12, 2015, in New York, New York. The parties made written submissions to the Tribunal in support of their claims on July 17, 2015, May 27, 2016, and March 20, 2017 (by Petitioners); and on February 12, 2016, September 9, 2016 and March 20, 2017 (by Respondents).

12. The Tribunal convened a final hearing between November 28, 2016 and December 10, 2016.

13. As noted above, the Tribunal issued the Final Award in the ICC Arbitration (Exhibit A appended hereto) on April 24, 2018. On April 25, 2018, the ICC delivered a copy of the Final Award to both parties.

*Separate ICSID Arbitration against Venezuela*

14. On November 2, 2007, prior to the commencement of the ICC Arbitration, ConocoPhillips Petrozuata B.V. and affiliates of Petitioners commenced an arbitration against Venezuela for (*inter alia*) the unlawful expropriation of the claimants' investments in the Hamaca and Petrozuata Projects. That arbitration proceeding, which is being heard under the auspices of the International Centre for Settlement of Investment Disputes ("ICSID"), an arm of the World Bank, is premised on an international law instrument—a bilateral investment treaty—and the claims asserted are governed by international law (the "ICSID Arbitration").

15. The ICSID Arbitration proceeding remains pending: in 2013, the ICSID tribunal found Venezuela to have effected the expropriation in violation of international law, and the ICSID tribunal is in the process of determining the damages payable for that breach. A final

award is expected in the fall of this year. A true and correct copy of the ICSID 2013 decision is appended hereto as Exhibit I.

***The Final Award is Unsatisfied***

16. Respondents have not paid Petitioners any portion of the Final Award and have expressed no intention to do so. On April 25, 2018, Petitioners issued a demand letter to Respondents. Respondents have not responded to that letter.

\*\*\*

17. I declare under penalty of perjury that the foregoing is true and correct.

Executed on: April 26, 2018  
New York, New York



---

Elliot Friedman